

**MINUTES OF THE JOINT CAPITAL FACILITIES AND ADMINISTRATIVE  
SERVICES APPROPRIATIONS SUBCOMMITTEE**

**Monday, February 12, 2001, 2:00 p.m.**

**Room 131, State Capitol Building**

Members Present:     Rep. Gerry Adair, Co-Chair  
                              Sen. Beverly Evans, Co-Chair  
                              Sen. Mike Dmitrich  
                              Sen. John Valentine  
                              Rep. Jeff Alexander  
                              Rep. Roger Barrus  
                              Rep. Ralph Becker  
                              Rep. DeMar "Bud" Bowman  
                              Rep. David Clark  
                              Rep. Greg Curtis  
                              Rep. Kevin Garn  
                              Rep. Brent Goodfellow  
                              Rep. Ty McCartney  
                              Rep. Loraine Pace

Staff Present:         Kevin Walthers, Fiscal Analyst  
                              Jonathon Ball, Fiscal Analyst  
                              Sharon Johnson, Secretary

Sen. Evans called the meeting to order at 2:00 p.m.

**1. National Guard**

Gen. Larry Lunt and LTC Peter Wilson, Utah National Guard, informed the committee that they will wait one year before moving on with the project discussed on Feb. 7th. They plan to shift money from American Fork and use it in Vernal after meeting with other organizations.

**2. Vernal Land Purchase - ATC**

Richard Jones, Uintah Basin ATC, explained the need to purchase 7.34 acres of land. The sellers and the ATC have come to an agreement to purchase at \$25,000 per acre, a total of \$185,000. They request an appropriation to buy it now as it may not be available in the future. Sen. Evans inquired why it has not appeared on the list before now and about an appraisal. Mr. Jones responded that there was a change in the board in October and an appraisal has been done on adjacent property. Rep. Adair asked about comparable sales.

**3. Fleet AFV**

Mr. Walthers presented a memo to the committee regarding alternative fuel vehicles. The analyst's recommendation is to erase the fee and it does not need to alter an agency's purchase of

AFV vehicles. Rep. Goodfellow suggested an incentive for agencies to purchase them. Mr. Walthers responded that the rate committee did have an incentive but it didn't seem to make a big difference. Ms. Ireland responded for the Rate Committee with Scott Steele, Auditor. They clarified acquisition costs and that the primary reason for the program is federal legislation requiring AFV's for contingency purposes. CNG vehicles can operate on both fossil fuel and natural gas. Mr Steele also stated that the resale value is greater for AFV's than other similar fleet vehicles.

#### **4. ITS report**

Jonathon Ball presented a memo regarding the agreement made between ITS and the analyst which further explained the budget as recommended and passed. He addressed authorized capital outlay and the withdrawal of his recommendation to reduce ITS' authorized capital outlay. Ms. Ireland responded and commented on ITS' operations and efficiency.

Mr. Ball addressed the video conferencing issue that was previously before the committee and the department supports the analyst's recommendation. He then discussed the recommendation for AGRC which was to eliminate five vacant FTE's. The department and the analyst agreed that three FTE's could be eliminated and that the reduction will be taken from dedicated credits.

#### **5. Approval of Minutes**

**MOTION:** Rep. Garn moved to approve minutes for Jan. 31, Feb 2, and Feb 5. The motion passed unanimously with Sen. Valentine absent at time of voting.

#### **6. Supplemental Recommendations**

Mr. Walthers presented information regarding the supplemental funding recommendations that were revised as a result of the Cancer Research Hospital's non-state funded status.

**MOTION:** Rep Goodfellow moved to accept the analyst's revised budget recommendations. The motion passed unanimously with Sen. Valentine absent at time of voting.

#### **7. Capital Projects**

##### **Fleet Operations ISF**

**MOTION:** Rep. Garn moved to accept the intent language for Fleet Operations ISF.

*It is the intent of the Legislature that the ~~Division of Fleet Operations~~ [rate committee] eliminate the fee charged to state agencies for alternative fuel vehicles.*

The motion passed unanimously with Sen. Valentine absent at time of voting.

### **Department of Corrections**

Mr. Walthers addressed previously approved language for the Department of Corrections which requires a clarification.

**MOTION:** Rep. Goodfellow moved to reconsider the committee's action on the language previously approved for the Department of Corrections on Feb. 9th. The motion passed with Sens. Evans, Dmitrich, Reps. Adair, Alexander, Barrus, Becker, Bowman, Clark, Curtis, Garn, Goodfellow, and McCartney in favor, Rep. Pace opposed and Sen. Valentine absent at time of voting.

The analyst presented new intent language requested by the Department.

*It is the intent of the Legislature that the Department of Corrections present an annual report to the Legislature showing approved county contract expansions to ensure that supply does not exceed the State's need. ~~It is the intent of the Legislature that the Department of Corrections use county jail contracting in preference to the purchase or construction of State owned facilities.~~ However, these contracts in no way obligate the State for future payments if the beds are not utilized by state prisoners.*

**MOTION:** Rep. Goodfellow moved to approve the new language. The motion passed with Sens. Evans, Dmitrich, Reps. Adair, Alexander, Barrus, Becker, Bowman, Clark, Curtis, Garn, Goodfellow, and McCartney in favor, Rep. Pace opposed and Sen. Valentine absent at time of voting.

### **University of Utah Cancer Research Hospital**

Lorris Betz, Sr. VP of Health and Randy Turpin, Facilities Mgt University of Utah, addressed intent language for bonding. Mr. Walthers explained that this language will allow the hospital to proceed as a non-state funded project regardless of \$5 million appropriation.

- (a) *It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$100,000,000 for the acquisition and construction of a cancer clinical research hospital facility adjacent to the University of Utah Medical Center, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.*
- (b) *The State Building Ownership Authority shall work cooperatively with the Division of Facilities Construction and Management and the University of Utah to seek out the most cost effective and prudent lease purchase plan available.*
- (c) *It is the intent of the Legislature that the University of Utah lease land to the State Building Ownership Authority for the construction of a cancer clinical research*

- hospital facility adjacent to the University of Utah Medical Center.*
- (d) *The anticipated revenue sources for repayment of any obligation created under authority of this subsection are:*
- (i) sixty percent from the Hunstman Cancer Foundation, and*
  - (ii) forty percent from institutional funds of the University of Utah, including the University's annual distribution of tobacco settlement funds from the State.*

**MOTION:** Rep. Goodfellow move to approve the intent language for the U of U. The motion passed unanimously with Sen. Valentine absent at time of voting.

Mr. Walthers then commented on a memo from the University regarding the Museum of Natural History's O and M request. The University has found that the current O and M budget is different than stated on Friday. The University requests approval by the Capital Facilities Committee to reassign the Thomas Building O and M to the new museum building. In addition the University requests approval of new O and M for the new museum building in the amount of \$382,250.

**MOTION:** Rep. Goodfellow moved to approve O and M for \$382,250 for the Museum of Natural History. The motion passed unanimously with Sen. Valentine absent at time of voting.

The analyst presented intent language for the U of U Engineering Building and USU engineering building. The analyst maintains his recommendation that the U have \$30 million in escrow before beginning the project. Rep. Becker asked about the fund raising progress. Mr. Turpin responded that it would be better for the University if they could begin with \$15 million in escrow and prevent a possible delay in the overall project. Construction could begin in one year, The analyst feels that this could be taken care of next session without harming the university.

#### **U of U Engineering**

*It is the intent of the Legislature that DFCM use \$4,618,800 to remodel the Merrill Engineering Building at the University Of Utah and place \$15,000,000 in escrow to be matched against \$30 million in non-State funds raised by the University. It is further the intent of the Legislature that no State funds be expended on the new Engineering Building until the University has all \$30 million in hand.*

**MOTION:** Rep. Curtis moved to adopt the preceding language and delete "all \$30" in the U of U paragraph's last line and insert "\$13". Rep. Becker spoke in support of the motion as the Legislature can revisit the issue next year but set the stage this year. Rep. Alexander recommended additional intent language regarding specifics on purchasing equipment. The analyst responded that monitoring the remaining \$17 million will increase accountability.

**SUBSTITUTE MOTION:** Rep. Alexander moved to add that "No state funds will be used to

purchase high tech equipment.” This will make it clear that there is no state intention to purchase equipment for building and the University will not come back for additional funding. Rep. Goodfellow spoke against the motion, he commented that analyst monitoring will be better and the University can report back next year.

The analyst recommended “It is the intent of the Legislature that \$15 million in State funds shall be used for facility construction only.”

**AMENDED SUBSTITUTE MOTION:** Rep. Alexander moved to amend the substitute motion as stated by the analyst, including Rep. Curtis’ motion changing “all \$30” to “\$13”. The motion passed with Sen. Valentine absent at time of voting.

### **Rates**

The analyst presented proposed rates. There is a change in the last page for the Office of State Debt Collection for FY 2001, all other rates are for FY 2002.

**MOTION:** Rep. Clark moved to adopt the rates as presented. Rep. Curtis commented on higher percentage changes for Risk Management in Higher Education. The analyst responded to his concerns. Allen Edwards, Risk Management Director commented on the changes in premiums and the caps that have been changed. The motion passed unanimously with Sen. Valentine absent at time of voting.

### **Archives**

Rep. Pace addressed the needed additional space at archives near the current storage facility.

**MOTION:** Rep. Pace moved to approve \$33,000 for Archives . The motion passed unanimously with Sen. Valentine and Rep. Alexander absent at time of voting.

### **Non-State Funded Projects**

**MOTION:** Rep. Goodfellow moved to reconsider the committee’s actions on approval of non-state funded projects. The motion passed unanimously with Sen. Valentine absent at time of voting.

**MOTION:** Rep. Goodfellow moved to change the amount for SLCC cafeteria remodel, non-state funded, to \$4 million in student fees instead of the \$6 million listed. The \$2 million reduction will instead be used for the wireless campus to be matched with industry funds. Rep. Garn inquired if the scope of the project had changed. Rep. Goodfellow replied that the cafeteria is going to be less expensive than projected. Rep. Pace commented on the match with state funds for the wireless campus and inquired where they will come from. Rep. Becker and Curtis commented and clarified the motion. The motion passed the House with Rep. Adair, Alexanders, Becker, Bowman, Clark, Curtis, Garn, Goodfellow, McCartney, and Pace voting in

favor and Rep. Barrus voting no. The motion tied in the Senate with Sen. Evans voting no and Sen. Dmitrich voting yes with Sen. Valentine absent at time of voting.

### **Fleet**

**MOTION:** Rep Adair moved intent language regarding fleet and prompt pickup of vehicles.

*It is the intent of the Legislature that the Legislative Fiscal Analyst prepare an analysis of 4x4 usage and policy in the State Fleet.*

*It is the intent of the Legislature that the Legislative Fiscal Analyst prepare an analysis of Higher Education's participation in the State Fleet.*

*It is the intent of the Legislature that the Division of Fleet Operations and the Rate Committee establish a rate that will charge agencies that do not pick up their replacement vehicles on the day that they are deemed ready by the Division of Fleet Operations.*

Rep. Garn commented on the motion. The motion passed unanimously with Sen. Valentine absent at time of voting.

### **Archives**

Jeff Johnson, Archives, gave a presentation which would separate the archives project from the overall project presented on Friday. Archives needs are listed on a handout given to the committee. Rep. Pace commented on the location of Archives new facility if the project were to be split from State History and the Arts Council. Mr. Johnson replied that it would be on state property and accessible to the public.

### **Capital Facilities Budget**

The committee worked from page 8 of a spreadsheet listing Capital Developments.

**MOTION:** Rep. Garn moved to approve the seven projects not funded by the General Fund or Uniform School Fund which include DWS Cedar City Office, DABC Warehouse Expansion, DABC Magna Store, DABC South Valley Store, UDOT Richfield Warehouse, UDOT Echo Station, UDOT Roosevelt Station. The motion passed unanimously with Sen. Valentine absent at time of voting

Rep. Adair addressed the increase of AR And I. He has introduced a bill this session that deals with this increase of AR and I and reminded the committee that in determining the budget they must consider that is come from their base of \$8,798,000. The analyst recommends funding AR and I next year and the Governor wants to fund it this year. The committee has a \$89,397,400 base in the General Fund and Uniform School Fund. Any projects approved above that funding level will be funded through supplementals or not funded. The final figure from Executive has not been presented to the committee.

**MOTION:** Rep Adair moved to approve the USU Heating plant project. The motion passed

unanimously.

**MOTION:** Rep. Curtis moved to approve \$4.4 Million of AR and I in FY 2002 and the remaining \$4.4 million in FY 2003. The motion passed unanimously.

**MOTION:** Sen. Dmitrich moved to approve the CEU Main Bldg for \$10,827,100. Motion withdrawn.

The committee developed a priority list for Capital Development projects. The Sandy Land Purchase was added to list. Rep. Pace requested that programming money for archives be considered on the priority list. Mr. Walthers reminded the committee that package savings need to be factored into the priorities. There was committee discussion on supplementals, priorities, and funding possibilities. The resulting prioritization rankings are:

- 1 - CEU Main Building, Capitol Remodel
- 2 - U of U Hunstman Expansion
- 3 - WSU Davis Campus
- 4 - USU Engineering Building, Archives Planning
- 5 - UVSC Classroom Addition, Utah Field House of Natural History, BATC Brigham City
- 6 - Cache County Courts
- 7 - U of U Engin. Bldg, Dixie Graff Bldg, Snow Perform Arts Bldg, Sandy Land Purchase
- 8 - SLCC Auto Trades Adaptation
- 9 - Ogden Weber ATC and Vernal ATC land purchase, Canyonlands Youth Corrections
- 10 - SUU Teacher Education
- 11 - U of U Museum Remodel, SUU Main/Braithwaite
- 12 - Oxbow Jail

**MOTION:** Rep. Adair moved to include priorities through 1 through 7 up to and including the Sandy Land Purchase for \$144,113,000.

**SUBSTITUTE MOTION:** Rep. Goodfellow moved to approve the entire list as prioritized and send it to Executive and let them fund it as far as they can. Rep. Adair responded that leadership wants a figure. Sen. Evans spoke against the substitute motion. Sen. Dmitrich addressed the Canyonlands facility and whether the VOI/TIS money will be lost if not funded this year. The substitute motion failed .

A vote was taken on the original motion. The motion passed in the House with all ayes except Rep. Goodfellow voting no and passed unanimously in the Senate.

**MOTION:** Rep Adair moved that if the committee receives more money then to approve projects through number 10, SUU Education Building for \$167,098,000 million. The motion passed unanimously.

Mr. Walthers presented intent language for USU.

### **USU Engineering**

*It is the intent of the Legislature that DFCM use \$17,294,400 to erect a new Engineering lab and classroom building at Utah State University and place \$5,943,500 in escrow to be matched against \$10 million in non-State funds raised by the University. It is further the intent of the Legislature that no State funds be expended on the remodel of the USU Engineering Building until the University has all \$10 million in hand.*

### **Package Savings**

*It is the intent of the Legislature that DFCM create a bid package to design and construct classroom/laboratory facilities at the College of Eastern Utah, Utah Valley State College, Utah State University and Weber State University (Davis Campus). ~~It is further the intent of the Legislature that DFCM demonstrate that the final bid price and final cost of the four building package will not exceed \$65,313,500.~~*

**MOTION:** Sen. Dmitrich moved to adopt the intent language for USU Engineering and package savings. The motion passed unanimously with Sen. Valentine and Rep Alexander absent at time of voting.

### **Interest Earnings**

*It is the intent of the Legislature that interest earnings from tax funds set aside as escrow for construction projects shall accrue to the benefit of the State.*

**MOTION:** Rep Goodfellow moved to approve intent language on interest earnings. The motion passed unanimously with Rep. Alexander and Sen. Valentine absent at time of voting.

The analyst presented intent language for Youth Corrections.

*It is the intent of the Legislature that Youth Corrections provide programmatic exercise space at the lowest cost possible both for construction and ongoing operations when constructing new facilities.*

**MOTION:** Sen. Dmitrich moved to adopt the language, the motion passed unanimously with Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

Rep. Pace commented on further Youth Corrections intent language.

*Should \$500,000 of State funds become available it is the intent of the Legislature that the Division of Youth Corrections use \$5,100,000 in Federal VOI/TIS funds to construct a 32 beds detention center in the Canyonlands Region.*

**MOTION:** Rep. Pace moved to adopt the preceding language. The motion passed unanimously



with Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

Mr. Walthers explained intent language for Funding for Art.

*It is the intent of the Legislature that the state funds appropriated for capital projects not include funding for art.*

Rep. Becker spoke against intent language.

**MOTION:** Rep. Adair moved to approve the language, Rep. Pace clarified that this intent is only for this year. The motion passed with all ayes except Rep. McCartney voting no, and Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

The analyst corrected information for the Museum of Natural History on the handout and presented intent language for Workforce Services.

*It is the intent of the Legislature that:*

- (a) the Department of Workforce Services use \$1,186,700 from its Special Administrative Expense Fund to plan, design and construct an addition to the Cedar City Employment Center under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and*
- (b) the department may request state funds for operations and maintenance.*

**MOTION:** Rep Pace moved to adopt the intent language for Workforce Services. The motion passed unanimously with Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

Mr. Walthers presented intent language for Natural Resources to replace that which was passed on Feb. 9<sup>th</sup>.

*It is the intent of the Legislature that the Division of Facilities Construction and Management, acting on behalf of the Department of Natural Resources, shall be able to enter into a lease purchase agreement with Carbon County to provide needed space for agency programs in the area. It is further the intent of the Legislature that the Department of Natural Resources obtain the approval of the State Building Board after demonstrating that the lease purchase will be a benefit to the state and that the lease, including operation and maintenance costs, can be funded within existing agency budgets.*

**MOTION:** Sen. Dmitrich moved to adopt the lease purchase language and delete that adopted Feb 9. The motion passed unanimously with Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

**MOTION:** Rep. Adair moved to fund the archives lease from Office of State Debt Collection.

The motion passed unanimously with Reps. Garn, Alexander and Sen. Valentine absent at time of voting.

The analyst reviewed the priority list of technology items,

**MOTION:** Rep. Adair moved to fund the list on page 14 including 800 Mhz Radio Equipment, 800 Mhz Service Fees, Utah Technology Innovation and UTIIP-Telemedicine for \$2,349,900. Exec. Appropriations have allocated \$4,014,900 in on-going and one time funds for priority items. Rep. Curtis commented on the remaining \$1,665,000.

**AMENDED MOTION:** Rep. Adair moved to send the remainder to AR and I. Jon Ball commented on the \$300,000 for AGRC and Rep Adair moved to fund that amount from the \$1.6 million leaving \$1,365,000 for AR and I. Rep. Pace commented on increased fuel and power costs not being funded.

**SUBSTITUTE MOTION:** Rep Goodfellow moved to fund fuel and power for \$1.1 million and give the remainder of \$265,000 to agency related Olympics costs. Rep. Clark commented on not using state money for Olympics and the proper use of that money. Rep. Goodfellow suggested having money in reserve for unknown costs would be a good idea and it does not need to be spent. Mr. Walthers clarified that it is a Finance Mandated Line Item and would be monitored closely.

**AMENDED SUBSTITUTE MOTION:** The substitute motion was amended by Rep. Goodfellow to not put the \$265,000 on Olympics but toward the Canyonlands Youth Corrections facility. The motion funds the priority list, AGRC, \$1.1 million in increased fuel costs and partial funding for Canyonlands. The substitute motion as amended passed with Reps. Garn, Alexander, Becker and Sen Valentine absent at time of voting.

**MOTION:** Rep Clark moved to adjourn. The motion passed unanimously.  
Meeting adjourned at 4:36 p.m.

Minutes reported by Sharon Johnson

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Gerry Adair  
Committee Co-Chair